

HAHN AND ASSOCIATES, INC.
ENVIRONMENTAL CONSULTANTS

June 15, 2011

Mr. Dana Bayuk
Oregon Department of Environmental Quality
Northwest Region, Portland Office
Portland Harbor Section
2020 SW Fourth Avenue, Suite 400
Portland Oregon 97201-4987

HAI Project No. 2708
DEQ ECSI File No. 84

SUBJECT: Progress Report, NW Natural Gasco Property, 7900 NW St. Helens Avenue, Portland, Oregon

Dear Mr. Bayuk:

Hahn and Associates, Inc. (HAI) has prepared this monthly Progress Report summarizing Remedial Investigation/Feasibility Study (RI/FS) and source control-related work activities conducted by NW Natural that have occurred relating to the Gasco property during the month of May 2011. NW Natural is completing upland investigatory activities at the subject property under the Voluntary Agreement No. ECVC-WMCVC-NWR-94-13 (Voluntary Agreement) between NW Natural and the Oregon Department of Environmental Quality (DEQ).

1.0 Communications and Document Submittals

The *Draft Groundwater Source Control Final Design Report, NW Natural Gasco Site* was submitted to DEQ on behalf of NW Natural as attached to correspondence dated May 6, 2011 (John Edwards to Dana Bayuk).

In e-mail correspondence dated May 11, 2011 (Rob Ede to Dana Bayuk), HAI provided notice to DEQ of the tracking of a rain event as forecast to meet criteria established for the *wet season – rain event* surface water sampling of Doane Creek as provided in the October 19, 2007 Final RI Workplan.

In e-mail correspondence dated May 12, 2011 (Dana Bayuk to Bob Wyatt), DEQ provided a summary of recent risk assessment-related discussions as well as responses to NW Natural's March 11, 2011 clarification to DEQ's March 8 summary of a March 3, 2011 risk assessment-related meeting.

In e-mail correspondence dated May 12, 2011 (Dana Bayuk to Ben Hung), DEQ provided revisions to NW Natural's March 17 risk assessment meeting summary document. DEQ also provided supplemental information related to EPA Region V cyanide screening levels, and comments related to soil data compilation and summary statistic tables as presented by NW Natural at the March 17 risk assessment meeting.

In e-mail correspondence dated May 18, 2011 (Rob Ede to Dana Bayuk), HAI informed DEQ that the anticipated surface water sampling as described in a May 11 fieldwork notification did not occur due to the low magnitude and poor timing (evening) of the actual rain event.

In e-mail correspondence dated May 19, 2011 (Dana Bayuk to Rob Ede), DEQ acknowledged that NW Natural did not conduct the anticipated Doane Creek surface water sampling event as per the May 11 notification.

In e-mail correspondence dated May 23, 2011 and again on May 24, 2011 (Rob Ede to Dana Bayuk), HAI provided notice to DEQ of the tracking of a rain event as forecast to meet criteria established for the *wet season – rain event* surface water sampling of Doane Creek as provided in the October 19, 2007 Final RI Workplan.

In e-mail correspondence dated May 24, 2011 (Dana Bayuk to Rob Ede), DEQ acknowledged receipt of the notification of pending surface water sampling field activities.

In e-mail correspondence dated May 26, 2011 (Ben Hung to Dana Bayuk), Anchor QEA, on behalf of NW Natural, requested a one day extension for the submittal of NW Natural feedback on the upland risk assessment process at Gasco.

In e-mail correspondence dated May 26, 2011 (Dana Bayuk to Ben Hung), DEQ approved a one day extension for the submittal of feedback on the upland risk assessment process at Gasco.

In correspondence dated May 27, 2011 (Ben Hung to Dana Bayuk), Anchor QEA, on behalf of NW Natural, submitted to DEQ a proposed process for finalization of the Gasco upland risk assessment, including proposed resolution of remaining unresolved key issues.

2.0 Field Work

Field activities related to monitoring and maintenance of the dense non-aqueous phase liquid (DNAPL) extraction system at surficial fill well locations MW-6-32 and MW-13-30 occurred during May. The system recovered approximately 69 gallons of fluids (primarily DNAPL) during May. No manual DNAPL removal from within the sump at the PW-01-80 well location occurred during May.

Discharge of treated water (groundwater from the LNG containment basin) to the City of Portland sanitary sewer was initiated on March 16, 2007 under Temporary Wastewater Discharge Permit 500.022 (expires February 15, 2012). Results of NW Natural's effluent sampling are provided to BES in Discharge Monitoring Reports that are submitted for any month that effluent sampling occurs – which is at least every other month in accordance with the permit. As of May 31, 2011, a total of 7,672,259 gallons of treated water have been discharged to the sanitary sewer in 2011.

The wet season-rain surface water sampling event within Doane Creek was completed by HAI on behalf of NW Natural on May 25, 2011. The Doane Creek surface water sampling was completed as part of NW Natural RI activities related to the Siltronic property as described in the October 19, 2007 *Final RI Workplan, Historical MGP Activities, Siltronic Corporation Property*. The May sampling event completes the scope of work as described in the RI Workplan with regard to seasonal surface water sampling within Doane Creek.

3.0 Anticipated Activities in June and July 2011

NW Natural is working on an update to the beneficial use determination for groundwater and anticipates submittal of this document to DEQ upon receipt of water use plans from pertinent property owners.

Groundwater and DNAPL measurements will be collected from Gasco and Siltronic monitoring well locations by NW Natural in June 2011 as part of Second Quarter 2011 environmental monitoring activities.

Regularly scheduled NW Natural and DEQ technical working group meetings are anticipated to occur during June and July so that discussion of critical items related to upland risk assessment and groundwater source control tasks may be conducted.

The following reports and work plans on the Site have been submitted to DEQ through the end of April that have not yet received DEQ review and comment.

- *Source Control Evaluation Report, "Segment 3" Siltronic Property Related to NW Natural "Gasco" Site*, February 19, 2009, Anchor QEA.
- Evaluation of potential method produced biases associated with available cyanide method OIA-1677, August 14, 2009, Anchor QEA.
- *Gasco Upland – Proposal on Risk Methods*, June 21, 2010, Anchor QEA.
- Intent to dispose of non-hazardous petroleum-contaminated IDW soils generated by NW Natural on the Siltronic Corporation property, August 5, 2010, HAI.
- Recommendations for cyanide testing at the Gasco Site, August 17, 2010, Anchor QEA.
- *Remedial Investigation Data Summary Report, Historical Manufactured Gas Plant Activities, Siltronic Corporation Property*, March 31, 2011, HAI.
- *Draft Groundwater Source Control Final Design Report, NW Natural Gasco Site*, May 2011, Anchor QEA.

Should you have any questions, please contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Ede', with a stylized flourish extending from the end.

Rob Ede, R.G.
Principal

robe@hahnenv.com

c: Ms. Sandra Hart, NW Natural (electronic only)
Mr. Bob Wyatt, NW Natural (electronic only)
Ms. Patty Dost, Pearl Legal Group PC (electronic only)
Ms. Sarah Riddle, Pearl Legal Group PC (electronic only)
Mr. Carl Stivers, Anchor QEA, L.L.C. (electronic only)
Mr. John Edwards, Anchor QEA, L.L.C. (electronic only)
Mr. Ben Hung, Anchor QEA, L.L.C. (electronic only)
Mr. Ryan Barth, Anchor QEA, L.L.C. (electronic only)
Mr. Henning Larsen, DEQ NW Region (electronic only)
Mr. Tom Gainer, DEQ NW Region (electronic only)
Mr. Tom McCue, Siltronic Corporation (electronic only)
Ms. Kristine Koch, Region 10 EPA (electronic only)
Mr. Sean Sheldrake, Region 10 EPA (electronic only)
Mr. Rene Fuentes, Region 10 EPA (electronic only)
Mr. Eric Blischke, Region 10 EPA (electronic only)
Mr. Chip Humphrey, Region 10 EPA (electronic only)
Mr. Lance Peterson, CDM, Inc. (electronic only)